



2020 in the Rear View Mirror

1. Today's Trading Playbook

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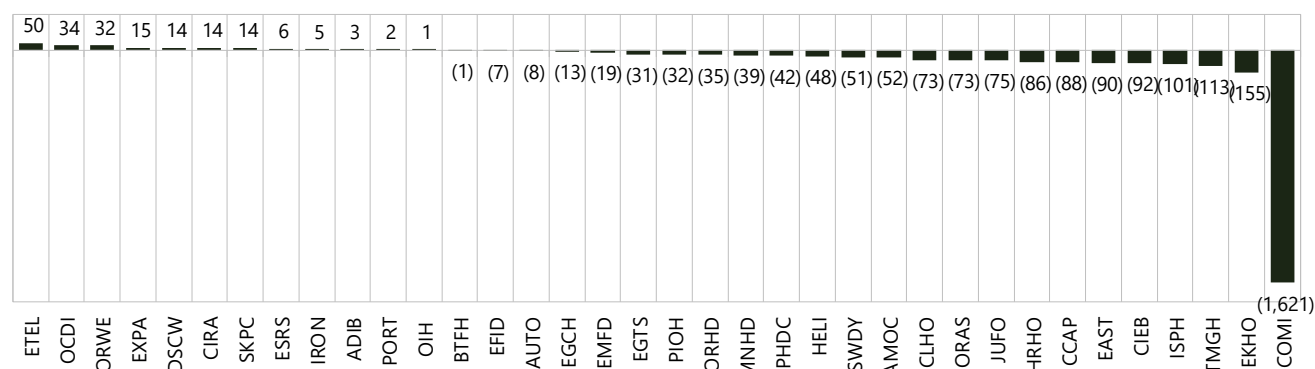
KEY THEMES

We saw the market rallying yesterday, amid strong trading activities, with the EGX 30 gaining 1.2%, as blue chips flourished. The performance of the EGX 30 yesterday came defined by a very solid performance by Elsewedy Electric [SWDY], which rose 7.3% yesterday following our core coverage note that we published on [28 December](#). Similarly, other heavyweight constituents rallied too, especially EFG Hermes Holding [2.6% d/d]. Please read our core coverage note published on [22 December](#). On the other hand, EGX 70 had its moment too, yet gaining 1.0% on Wednesday.

It's the last trading session of the eventful 2020! Until yesterday, the EGX30 has shed 3,093.8 points during the year or 22.2%. The year witnessed strong fluctuations. Despite bottoming in March, the market behavior wasn't short of jittery afterwards.

The below chart depicts the 36 stocks that affected the EGX30 performance during 2020 so far, represented by the number of points each name contributed to the index movement (i.e. 3,093.8s point south so far).

Out of 36 stocks, only 12 had positive influence on the index movement. It wasn't mysterious to see some telecom or consumer names on the top of list. Interestingly, two of the heaviest laggards were indeed members of Egypt's standard MSCI EM index (i.e. COMI and EAST), an interesting subtle hint to how foreign capital flight shaped most of the market's direction and portfolios' pattern in 2020.



Source: Bloomberg.



Now, on to the top news and analysis for the day.

2. TOP NEWS & ANALYSIS

MACRO NEWS

The Egyptian Minister of Trade and Industry, said that the total value of export subsidies disbursed during 2020 reached EGP20bn. A total of 1,863 companies were allowed to settle overdue taxes against export subsidies with a total value of EGP6.7bn. ([Mubasher](#))

Egypt's index of manufacturing and extractive industries, excluding crude oil and petroleum products, fell by 2.55% to 96.45 (initial) in October from 98.97 (final) in September, according to CAPMAS. ([Mubasher](#))

The Iraqi cabinet has approved the renewal of a contract to supply 12 million barrels of Basra light crude oil to the Egyptian General Petroleum Corporation (EGPC) in 2020. ([Ahram online](#))

CORPORATE NEWS

Cleopatra Hospital [CLHO] won't be granted an approval to acquire Alameda Healthcare Group, as preliminarily decided by the Egyptian Competition Authority (ECA) in efforts to stamp out monopolistic practices. ([Masrawy](#))

Elsewedy Electric's [SWDY] BoD approved credit facilities contract with Banque Misr capped by USD185mn. (Company disclosure)

Amer Group [AMER] is issuing securitization bonds backed by a receivables portfolio of EGP607mn. The bonds will be issued in three tranches rated AA+, AA and A by Middle East Rating & Investors Services (MERIS). ([Company disclosure](#))

NBE has acquired 24% stake of Raya Holding's [RAYA] subsidiary Aman for Financial Services in a transaction worth of EGP480mn. ([Al-Borsa](#))

Telecom Egypt [ETEL] BoD approved 2021 budget with mid-to-high single digit revenue growth and EBITDA margin in the early thirties. ([Press release](#))

The National Telecommunications Regulatory Authority (NTRA) signed three agreements with Vodafone Egypt [VODE], Telecom Egypt [ETEL] and Etisalat Egypt, to allocate the new frequencies (in the 2600 MHz frequency band). ([Arab Finance](#))



GLOBAL NEWS

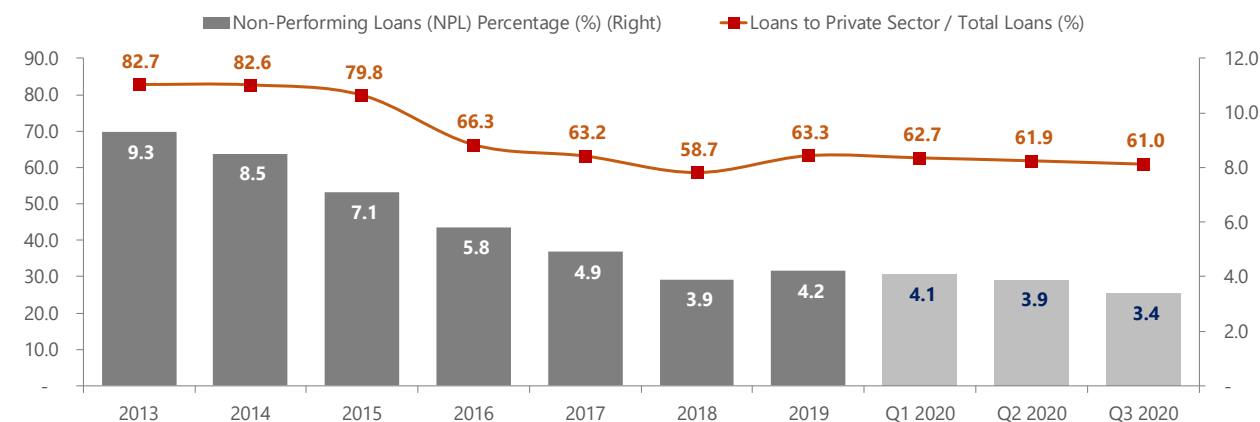
On the last trading day of 2020, Brent was trading down 25 cents, or 0.5%, at USD51.38 a barrel, as of 0246 GMT and U.S. West Texas Intermediate (WTI) lost 0.2%, or 11 cents, to USD48.29 a barrel. ([Zawya](#))

The United Kingdom exits the European Union's orbit on Thursday, turning its back on a tempestuous 48-year liaison with the European project for an uncertain Brexit future that will shape the fortunes of its people for generations to come. ([Zawya](#))

China and the European Commission announced Wednesday that the two sides finished talks around a "Comprehensive Agreement on Investment" that gives each region's businesses more access to the other's market. ([CNBC](#))

3. CHART OF THE DAY

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Source: CBE, Prime Research.

The health of Egypt banks' assets: As depicted above, Egypt banks' exposure to the private sector has been falling since 2013. To the contrary, the NPL percentage has receded since then by more than a half as banks look for less risky loans. That said, we could see the NPL percentage rise again if and when the private sector recovers, especially with the current relatively low interest rate environment.



4. MARKETS PERFORMANCE

Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.						
650.4					1,518.5 1,036.2						
			daily chg.	ytd chg.				daily chg.	ytd chg.		
		EGX 30	10,867.76	1.22%	(22.16%)			Gold	1,894.39	0.86%	24.42%
		EGX 30 TR	4,186.72	0.62%	(19.00%)			Silver	26.67	1.73%	47.82%
		EGX 70 EWI	2,131.17	2.33%	68.20%			Brent Oil	51.63	(0.08%)	(18.02%)
		EGX 100 EWI	3,087.70	2.29%	41.34%			WTI	48.40	(0.12%)	(17.10%)
		DFMGI	2,517.97	(0.28%)	(8.93%)			Natural Gas	2.42	0.95%	11.69%
		ADSMI	5,088.09	(0.21%)	0.25%	EGP		USD/EGP	15.76	0.04%	(1.95%)
		TASI	8,760.08	0.15%	4.42%	€		EUR/USD	1.23	(0.06%)	9.61%
		QE Index	10,534.65	0.33%	1.05%	£		GBP/USD	1.36	0.06%	2.84%
		S&P 500	3,732.04	0.13%	15.52%	¥		USD/JPY	103.19	(0.07%)	(5.05%)
		Dow 30	30,409.56	0.24%	6.56%			6M TB yield	12.73	8	(228)
		NASDAQ	12,870.00	0.15%	43.44%			1Y TB yield	12.77	10	(180)
		VIX	22.77	(1.34%)	65.24%			10Y TB yield	14.39	13	69
		STOXX 50	3,571.59	(0.27%)	(4.63%)			2Y TB yield	0.13	(1)	(144)
		MSCI Emerging	1,289.03	1.76%	15.64%			10Y TB yield	0.93	(1)	(99)
		MSCI Frontier	569.15	0.05%	(2.87%)			30Y TB yield	1.66	(1)	(73)

* As of market close, except for commodities and currencies at 8.4am CLT. Change in Treasuries is in basis points.

Source: Bloomberg, CBE.

5. LATEST EGX VALUATION MULTIPLES

[Find out](#) how your favorite stocks compare to the rest of the market.

6. KEY DATES

DATE	TICKER	TYPE	EVENT
31-Dec-20	FWRV	OGM	Discussing netting contracts.
31-Dec-20	FWRV	EGM	Approving increasing the issued capital through stock dividends and rights issue.
31-Dec-20	ABUK	Cash dividend	Distribution date for EGP0.90/share (2nd installment).
31-Dec-20	NRPD	Lawsuit	A court session discussing legal disputes relevant to the company.
31-Dec-20	GSSC	Cash dividend	Distribution date for EGP3.450/share.
2-Jan-21	EGTS	Lawsuit	A court session discussing legal disputes relevant to the company.
3-Jan-21	CAED	Cash dividend	Distribution date for EGP0.90/share.
3-Jan-21	AIH	Lawsuit	A court session discussing legal disputes relevant to the company.
3-Jan-21	GMCI	OGM	Approving the financial statements ending 31 Dec. 2019.
5-Jan-21	ELSH	EGM	Amending articles 4, 6, 26, 45 & 48 of the bylaws.



5-Jan-21	ALCN	Cash dividend	Record date for EGP0.776/share.
6-Jan-21	ACAMD	EGM	Discussing a stock split and amending articles 6 & 7 of the bylaws.
9-Jan-21	ARVA	EGM	Amending article 4 of the bylaws.
11-Jan-21	ALCN	Cash dividend	Distribution date for EGP0.776/share.
11-Jan-20	IRON	OGM	Approving transferring ownership of some lands held by Egyptian Iron and Steel Company.
11-Jan-20	IRON	EGM	Approving splitting the company, amending articles 6 & 7 of the bylaws and discussing the continuation of the company.
14-Jan-21	SMCS	EGM	Discussing netting contracts.
16-Jan-21	EPPK	OGM	Examining violations to article 160.
17-Jan-21	MNHD	Lawsuit	For recovering EGP24.8mn owed by MNHD to NRPD for the development of 32 buildings in a 6th of October project.
19-Jan-21	ORAS	Cash dividend	Record date for USD0.21/share.
21-Jan-21	GPPL	OGM	Approving the financial statements ending 31 Dec. 2019 & a board reshuffle.
26-Jan-21	ORAS	Cash dividend	Distribution date for USD0.21/share.

7. LATEST RESEARCH

DATE

PUBLISHED REPORT

28-Dec-20	<u>Elsewedy Electric [SWDY] – More Growth to Come</u>
22-Dec-20	<u>EFG Hermes Holding [HRHO] – Blueprinting Its Eminence</u>
16-Dec-20	<u>CIB [COMI] – Earnings beat despite higher provisions</u>
10-Dec-20	<u>MACROView – The Highest Reading in Seven Months</u>
7-Dec-20	<u>MACROView – Restored Ground</u>
6-Dec-20	<u>MACROView – Lost Momentum</u>
3-Dec-20	<u>MACROView – Not as Severe as Expected but All Eyes on the Scars</u>
25-Nov-20	<u>Misr Chemical Industries [MICH] – Pandemic Proof</u>
10-Nov-20	<u>MACROView – An expected rise as the new school year began</u>
4-Nov-20	<u>MACROView – The Stars Seem to Be Aligned for International Reserves</u>
3-Nov-20	<u>MACROView – The Highest Reading in Six Years</u>
25-Oct-20	<u>CIB [COMI] – Short-term pain for longer-term gain</u>
11-Oct-20	<u>MACROView – Disinflationary trend interrupted</u>
11-Oct-20	<u>MACROView – External strains are slacking and reserves are growing</u>
6-Oct-20	<u>CIB [COMI] – A Good Bet for the “Risk On” Mode</u>
5-Oct-20	<u>MACROView – Egypt’s recovery is broadening</u>
10-Sep-20	<u>MACROView – A Stunning Chapter Towards Targets</u>
8-Sep-20	<u>MACROView – Crawling Out of the Troughs</u>



3-Sep-20	<u>MACROView – Job losses and the bumpy road to recovery</u>
18-Aug-20	<u>Oriental Weavers Carpet [ORWE] – Q2 2020 Results</u>
13-Aug-20	<u>Credit Agricole Egypt [CIEB] – Q2 2020 Results</u>
10-Aug-20	<u>MACROView – Muted inflation environment still dominates</u>
9-Aug-20	<u>MACROView – Recovery of FX revenues is a long-term goal, but the economy is still well armed</u>
5-Aug-20	<u>MACROView – Toward gradual recovery</u>
29-Jul-20	<u>MACROView – CAD gains eroded by financial account vulnerability</u>
14-Jul-20	<u>Commercial International Bank - [COMI] - Q2 2020 results</u>
9-Jul-20	<u>MACROView – Inflation driven by non-food baskets and unfavorable base effect</u>
8-Jul-20	<u>MACROView – Propped up by FX inflows, CBE amasses more reserves, turns NFA to net asset position</u>
7-Jul-20	<u>MACROView – Non-oil private sector keeps perking up in June, but demand stays depressed</u>
25-Jun-20	<u>EFG Hermes Holding [HRHO] – Behind the Optics of the Arab Investment Bank Potential Acquisition</u>
10-Jun-20	<u>MACROView – Lowest annual reading in five months, but monthly figures show no changes</u>
8-Jun-20	<u>Oriental Weavers Carpet [ORWE] – Operating margins improve despite COVID-19, thanks to lower PP and nylon prices</u>
8-Jun-20	<u>MACROView – Solid buffers and moderate depreciation: The CBE's recipe to deal with COVID-19</u>
3-Jun-20	<u>MACROView – Non-oil private sector took a breather in May, but outlook remains cloudy</u>
18-May-20	<u>Abu Dhabi Islamic Bank [ADIB] – Q1 2020 Results</u>
18-May-20	<u>Al Baraka Bank Egypt [SAUD] – Q1 2020 Results</u>
17-May-20	<u>Credit Agricole Egypt [CIEB] – Q1 2020 Results</u>
13-May-20	<u>MACROView – Yesterday's CBE conference call with Deputy Governor</u>
11-May-20	<u>MACROView– Acceleration in April driven by food prices – as expected</u>
7-May-20	<u>MACROView – Keeping head above water amid pandemic uncertainties</u>
5-May-20	<u>Commercial International Bank (CIB) - Egypt [COMI] – Q1 2020 Results</u>



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